



# opportunity!



**ENGAGE CAPITAL, INC.**

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# Basics of Private Equity

## Minority Business Focus

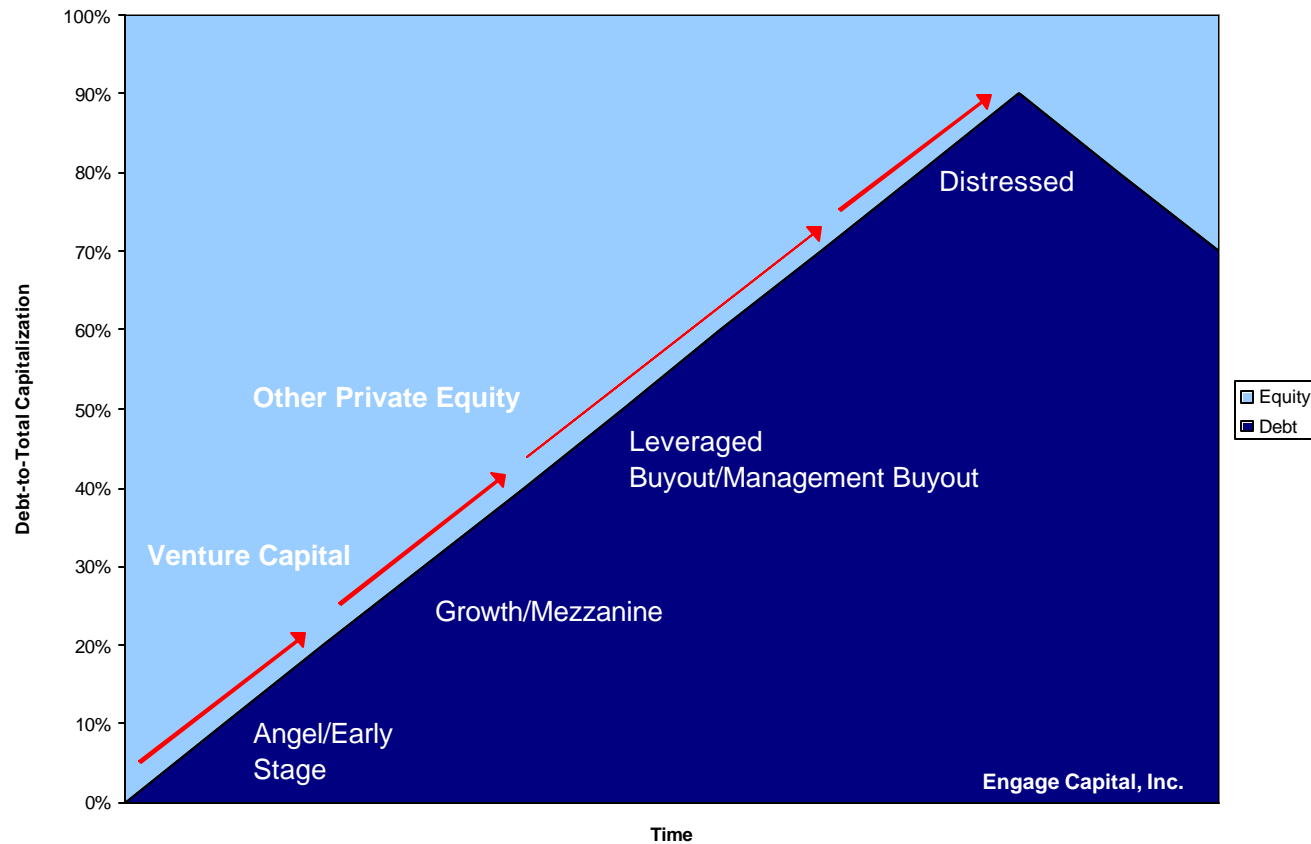
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# Investment Continuum





# Typical Investors

- Strategic
  - Corporate funds
- Family/foundations/endowments
  - High net worth
- Institutional
  - Insurance company, merchant/investment bank, pension funds





# Goals of Private Equity Investors

- Superior investment returns
  - Typically measured in IRR
  - Created with infusion of capital and/or talent
- Ownership prestige
  - Trophy property/asset
- Opportunity for exit
  - Ten-year fund life common





# What Excites Investors?

- Committed management and employees
- Differentiation
  - Knowing one's “unfair” advantage
- Growth potential
  - Industry expansion and/or market share
  - A solid plan to execute





# Challenges for All Firms

- Selling the story
  - Management, management, management
- Maintaining culture in many growth stages
- Improving the business
  - Is capital the only constraint?
- Defining the exit
  - Need to return capital to investors
  - Consider this in advance, not later!





# About this Panel

- World's largest pool of investment capital for developing U.S. markets
- Multi-sector investment experience (media, retail, manufacturing, etc)
- Understanding of deal structure to accomplish investor/owner goals

